

**MINUTES OF SPECIAL MEETING  
2006 SERIES A SINGLE FAMILY MORTGAGE BONDS  
January 25, 2006, 9:00 A.M.**

Notice having been given, the Montana Board of Housing held a special meeting on the sale and awarding of its 2006 Series A Single Family Program Bonds. The meeting took place via teleconference to discuss the Bond Resolution, awarding of the bonds, final pricing, and the Purchase Contract. Present were:

Board members: Bob Thomas, Susan Moyer, Judy Glendenning, J.P. Crowley, and Jeff Rupp

MBOH Staff: Bruce Brensdal, Charles Nemec, Vicki Bauer, and Diana Hall.

Legal Counsel: Pat Melby

Bond Counsel: John Wagner, Ann Atkinson

UBS: Peter Nolden, Mina Choo, Lorrie Palacios, and Rosa ???

Orrick Herrington: Steve Spitz

Bob Thomas convened the meeting at 9:00 a.m. after a roll call was taken and a quorum was established.

Peter Nolden said there was a successful retail order period on Monday for Montana in-state residents and sold approximately \$6.3 million of bonds. The bond ratings were confirmed at: AA1 by Moody's and AA+ for Standard and Poor's. The scale changed slightly in Montana Board of Housing's (MBOH) favor. Overall they did better than when they went out. The high bid was from Transamerica Occidental Life Insurance, who are rated AA3, AA- and will collateralize their agreement with Wells Fargo. The overall bond deal was 4.61% invested at 4.55%. So, compared to the last couple of years, which had significant negative arbitrage before the proceeds were used in mortgage loans, we are very close to the bond yield. The overall transaction break-even mortgage rate is 5.50%. Bonds are scheduled to close and be delivered to the Board on March 8, 2006. Peter asked that MBOH approve the bond purchase agreement. Susan Moyer moved to approve the bond purchase agreement. J. P. Crowley seconded the motion. The Chairman asked for public comments. The motion passed unanimously by a roll call vote.

Bruce said he will sign the bond purchase contract. UBS wire transferred a good faith deposit to the Board this morning and the Trustee has received it. Peter said the final issue size was \$50,560,000 and covers the Cost of Issuance and also includes a premium on the sale of the bonds of \$1,268,520, which would be used by MBOH to cover down-payment assistance in addition to the \$50 million.

There being no further business, the meeting adjourned at 9:10 a.m.

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Bob Thomas, Chairman

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Date

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Bruce Brensdal

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Date